

LOWER CAMERON AMBULANCE SERVICE DISTRICT
FINANCIAL REPORT
DECEMBER 31, 2013

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INDEPENDENT AUDITORS' REPORT

To the Board of Commissioners
Lower Cameron Ambulance Service District
Creole, Louisiana

We have audited the basic financial statements Lower Cameron Ambulance Service District, a component unit of the Cameron Parish Police Jury, as of and for the year ended December 31, 2013 and 2012, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these basic financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these basic financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the basic financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the basic financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the respective financial position of the Lower Cameron Ambulance Service District as of December 31, 2013 and 2012, and the respective changes in financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

The Lower Cameron Ambulance Service District has not presented management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Other Information

Our audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise the Lower Cameron Ambulance Service District's basic financial statements. The accompanying schedules of net patient service revenues and schedules of board fees are presented for the purposes of additional analysis and are not a required part of the basic financial statements.

The accompanying schedules of net patient service revenues and schedules of board fees are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 30, 2014, on our consideration of the Lower Cameron Ambulance Service District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Lower Cameron Ambulance District's internal control over financial reporting and compliance.

Bronseard, Poche, Lewis & Bury LLP

Lafayette, Louisiana
June 30, 2014

LOWER CAMERON AMBULANCE SERVICE DISTRICT

STATEMENTS OF NET POSITION

December 31, 2013 and 2012

	<u>2013</u>	<u>2012</u>
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 616,270	\$ 2,041,511
Certificates of deposits	3,867,119	2,224,996
Patient accounts receivable, net of allowance for estimated uncollectibles of \$3,009 and \$9,020 for 2013 and 2012, respectively	18,780	21,288
Ad valorem tax receivable, net of estimated uncollectibles of \$10,000 and \$15,000 for 2013 and 2012, respectively	203,134	149,119
Due from other governmental agencies	934,291	1,178,884
Other receivables	96,411	92,827
Prepaid expenses	52,316	49,354
Inventories	<u>19,565</u>	<u>22,230</u>
 Total current assets	 \$ 5,807,886	 \$ 5,780,209
CAPITAL ASSETS		
Property, plant and equipment, at cost, less accumulated depreciation of \$793,814 and \$598,805 for 2013 and 2012, respectively	<u>1,692,137</u>	<u>1,790,171</u>
 Total assets	 <u>\$ 7,500,023</u>	 <u>\$ 7,570,380</u>
LIABILITIES AND NET POSITION		
CURRENT LIABILITIES		
Accounts payable	\$ 139,302	\$ 138,316
Accrued liabilities	<u>26,742</u>	<u>29,396</u>
 Total current liabilities	 <u>\$ 166,044</u>	 <u>\$ 167,712</u>
NET POSITION		
Net investment in capital assets	\$ 1,692,137	\$ 1,790,171
Unrestricted	<u>5,641,842</u>	<u>5,612,497</u>
 Total net position	 <u>\$ 7,333,979</u>	 <u>\$ 7,402,668</u>
 Total liabilities and net position	 <u>\$ 7,500,023</u>	 <u>\$ 7,570,380</u>

See Notes to Financial Statements.

LOWER CAMERON AMBULANCE SERVICE DISTRICT

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
Years Ended December 31, 2013 and 2012

	<u>2013</u>	<u>2012</u>
Operating revenues:		
Net patient service revenues, net of provision of bad debts of \$15,090 and \$18,948 for 2013 and 2012, respectively	\$ 67,861	\$ 82,643
Total operating revenues	<u>\$ 67,861</u>	<u>\$ 82,643</u>
Operating expenses:		
Salaries and payroll taxes	\$ 780,795	\$ 772,961
Depreciation expense	195,009	185,385
Dispatch services	20,000	20,000
Education and travel	766	4,648
Employee benefits	187,910	155,589
Fuel expense	9,612	9,987
Insurance expense	64,017	61,397
Professional fees	13,890	15,547
Rent	600	2,400
Repairs and maintenance	14,544	16,660
Retirement expense	14,475	15,000
Supplies	46,358	40,682
Telephone	14,402	13,745
Utilities	20,749	16,990
Other expenses	<u>15,172</u>	<u>12,576</u>
Total operating expenses	<u>\$ 1,398,299</u>	<u>\$ 1,343,567</u>
Operating loss	<u>\$ (1,330,438)</u>	<u>\$ (1,260,924)</u>
Non-operating revenues (expenses):		
Ad valorem taxes	\$ 1,207,930	\$ 1,382,031
Investment income	45,127	51,270
Non-capital grants and donations	-	29,459
Loss on sale of capital assets	<u>-</u>	<u>(705)</u>
Total non-operating revenues (expenses)	<u>\$ 1,253,057</u>	<u>\$ 1,462,055</u>
Excess (deficiency) of revenues over expenses before capital grants	<u>\$ (77,381)</u>	<u>\$ 201,131</u>
Capital grants	<u>8,692</u>	<u>-</u>
Increase (decrease) in net position	<u>\$ (68,689)</u>	<u>\$ 201,131</u>
Net position beginning of year	<u>7,402,668</u>	<u>7,201,537</u>
Net position end of year	<u>\$ 7,333,979</u>	<u>\$ 7,402,668</u>

See Notes to Financial Statements.

LOWER CAMERON AMBULANCE SERVICE DISTRICT

STATEMENTS OF CASH FLOWS
Years Ended December 31, 2013 and 2012

	<u>2013</u>	<u>2012</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from and on behalf of patients	\$ 70,369	\$ 82,273
Payments to employees	(783,449)	(796,900)
Payments to suppliers and contractors	<u>(421,806)</u>	<u>(402,909)</u>
Net cash used in operating activities	\$ <u>(1,134,886)</u>	\$ <u>(1,117,536)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES		
Ad valorem taxes	\$ 1,398,508	\$ 1,706,230
Non-capital grants and donations	<u>-</u>	<u>29,459</u>
Net cash provided by non-capital financing activities	\$ <u>1,398,508</u>	\$ <u>1,735,689</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Purchase of capital assets	\$ (96,975)	\$ (140,380)
Capital grant income	<u>8,692</u>	<u>-</u>
Net cash used in capital and related financing activities	\$ <u>(88,283)</u>	\$ <u>(140,380)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest income	\$ 41,543	\$ 50,861
Redemption (purchase) of certificates of deposit, net of renewals	<u>(1,642,123)</u>	<u>961,453</u>
Net cash provided (used) by investing activities	\$ <u>(1,600,580)</u>	\$ <u>1,012,314</u>
Net increase (decrease) in cash and cash equivalents	\$ (1,425,241)	\$ 1,490,087
Cash and cash equivalents, beginning of year	<u>2,041,511</u>	<u>551,424</u>
Cash and cash equivalents, end of year	\$ <u>616,270</u>	\$ <u>2,041,511</u>

(continued)

LOWER CAMERON AMBULANCE SERVICE DISTRICT

STATEMENTS OF CASH FLOWS (CONTINUED)
Years Ended December 31, 2013 and 2012

	<u>2013</u>	<u>2012</u>
RECONCILIATION OF OPERATING LOSS TO NET CASH USED IN OPERATING ACTIVITIES		
Operating loss	\$ (1,330,438)	\$ (1,260,924)
Adjustment to reconcile operating loss to net cash flows used in operating activities:		
Depreciation	195,009	185,385
Provision for bad debts	15,090	18,948
(Increase) decrease in assets -		
Patient accounts receivable	(12,582)	(19,318)
Prepaid expense	(2,962)	(7,117)
Inventories	2,665	(11,463)
Increase (decrease) in liabilities -		
Accounts payable	986	892
Accrued expenses	(2,654)	(23,939)
Net cash used in operating activities	<u>\$ (1,134,886)</u>	<u>\$ (1,117,536)</u>

See Notes to Financial Statements.

LOWER CAMERON AMBULANCE SERVICE DISTRICT

NOTES TO FINANCIAL STATEMENTS

Note 1. Description of Organization and Summary of Significant Accounting Policies

Lower Cameron Ambulance Service District (the "Ambulance District") was established by the Cameron Parish Policy Jury, by virtue of the authority of R.S. 33:9053, et seq. The purpose of the Ambulance District is to provide ambulance services to Lower Cameron Parish. The board is appointed by the Cameron Parish Police Jury. The Ambulance District is a component unit of the Cameron Parish Police Jury. The accompanying financial statements present only the Ambulance District.

The financial statements of the Ambulance District have been prepared in accordance with generally accepted accounting principles in the United States of America ("GAAP") applicable to state and local governments. The Governmental Accounting Standards Board ("GASB") is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The significant accounting and reporting policies and practices used by the Ambulance District are described below.

Method of accounting:

The Ambulance District's financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the time of related cash flows. Property taxes are recognized as revenues in the year they are levied. Grants are recognized as revenue as soon as eligibility requirements imposed by the provider have been met. The Ambulance District's accounting and reporting procedures also conform to the requirements of Louisiana Revised Statute 24:514 and to the guide set forth in the *Louisiana Governmental Audit Guide*, and the *Audit and Accounting Guide – Health Care Organizations*, published by the American Institute of Certified Public Accountants, and standards established by the GASB.

Use of estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and cash equivalents:

For purposes of the statements of cash flows, the Ambulance District considers all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents. Under state law, the Ambulance District may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana Law or any other state of the United States, or under the laws of the United States.

Trade receivables and allowance for uncollectible accounts:

Trade receivables are carried at the original billed amount less an estimate made for uncollectible accounts based on a review of all outstanding amounts on a monthly basis. Management determines the allowance for uncollectible accounts by identifying troubled accounts and by using historical experience applied to an aging of accounts. Trade receivables are written-off when deemed uncollectible. Recoveries of trade receivables previously written-off are recorded when received.

LOWER CAMERON AMBULANCE SERVICE DISTRICT

NOTES TO FINANCIAL STATEMENTS

Inventories:

Inventories are valued at the latest invoice price, which approximates the lower of cost (first-in, first-out method) or market.

Capital assets:

Capital assets are stated at cost. Depreciation is computed using the straight-line method over the estimated useful lives of each class of depreciable assets.

Ambulances	5 years
Building improvements	5 – 10 years
Equipment	5 – 10 years
Land improvements	15 years
Building	25 years

Net patient service revenues:

Net patient service revenues are reported at estimated net realizable amounts from patients, third-party payors, and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payors. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined.

Grants and donations:

Revenues from grants and donations (including capital contributions of assets) are recognized when all eligibility requirements, including time requirements, are met. Grants and donations may be restricted for either specific operating purposes or for capital purposes. Amounts that are unrestricted or that are restricted to a specific operating purpose are reported as non-operating revenues. Amounts restricted to capital acquisitions are reported after non-operating revenues and expenses.

Operating revenues and expenses:

The Ambulance District's statements of revenues, expenses and changes in position distinguishes between operating and non-operating revenues and expenses. Operating revenues result from exchange transactions associated with providing health care services; the Ambulance District's principal activity. Non-exchange revenues, including taxes, grants and contributions received for purposes other than capital asset acquisition, are reported as non-operating revenues. Operating expenses are all expenses incurred to provide health care services, other than financing costs.

Income taxes:

The Ambulance District is a political subdivision and exempt from taxes.

Restricted resources:

When the Ambulance District has both restricted and unrestricted resources available to finance a particular program, it is the Ambulance District's policy to use restricted resources before unrestricted resources.

Deferred outflows/inflows of resources:

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a

LOWER CAMERON AMBULANCE SERVICE DISTRICT

NOTES TO FINANCIAL STATEMENTS

consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources (expenditure) until then. The Ambulance District does not currently have any items that qualify for reporting in this category.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Ambulance District does not currently have any items that qualify for reporting in this category.

Risk management:

The Ambulance District is exposed to various risks of loss from tort; theft of, damage to, and destruction of assets; business interruption; errors and omissions; employee injuries and illnesses; natural disasters; and employee health. Commercial insurance coverage is purchased for claims arising from such matters.

Environmental matters:

The Ambulance District is subject to laws and regulations relating to the protection of the environment. The Ambulance District's policy is to accrue environmental and cleanup related costs of a non-capital nature when it is both probable that a liability has been incurred and when the amount can be reasonably estimated. Although it is not possible to quantify with any degree of certainty, the potential financial impact of the Ambulance District's continuing compliance efforts, management believes any future remediation or other compliance related costs will not have a material adverse effect on the financial condition or reported results of operations of the Ambulance District. At December 31, 2013, management is not aware of any liability resulting from environmental matters.

Reclassifications:

To be consistent with current year classifications, some items from the previous year have been reclassified with no effect on net position.

Recent pronouncements:

In March of 2012, GASB issued Statement No. 65 *"Items Previously Reported as Assets and Liabilities."* This statement is effective for financial statements for years beginning after December 15, 2012. This statement established accounting and financial reporting standards that reclassify as deferred outflows of resources or deferred inflows of resources certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. This statement also provides other financial reporting guidance related to the impact of the financial statement elements deferred outflows or resources and deferred inflows of resources, such as changes in the determination of the major fund calculations and limiting the use of the term deferred in financial statement presentations.

The adoption of GASB 65 in the current year had no impact on the classifications of certain items within the financial statements and only resulted in additional related disclosures.

LOWER CAMERON AMBULANCE SERVICE DISTRICT

NOTES TO FINANCIAL STATEMENTS

Note 2. Net Patient Service Revenues

The Ambulance District has agreements with third-party payors that provide for payments to the Ambulance District at amounts different from its established rates. A summary of the payment arrangements with major third-party payors follows:

- **Medicare** – Covered ambulance services are paid based on a fee schedule.

- **Medicaid** – Covered ambulance services are paid based on a fee schedule.

During the years ended December 31, 2013 and 2012, approximately 42% and 35%, respectively, of the Ambulance District's gross patient services were furnished to Medicare and Medicaid beneficiaries.

The Ambulance District also has entered into payment arrangements with certain commercial insurance carriers, health maintenance organizations, and preferred provider organizations. The basis for payment to the Ambulance District under these agreements includes prospectively determined rates per ambulance trip and discounts on charges.

The Ambulance District also gives a parish resident discount to any resident of the parish who uses ambulance services. The Ambulance District bills private insurance companies, Medicare or Medicaid, or any other coverage of the patient and accepts this as payment in full from the resident.

Note 3. Bank Deposits and Investments

The Ambulance District's investing is performed in accordance with investment policies complying with state statutes. Funds may be invested in time deposits, money market investment accounts, or certificates of deposit with financial institutions insured by FDIC; direct obligations of the United States Government and its agencies; commercial paper issued by United States Corporations with a rating of A-1 (Moody's) and P-1 (Standard and Poor's) or higher; and government backed mutual trust funds. At December 31, 2013 and 2012, the Ambulance District's funds consisted solely of demand deposits and certificates of deposits. These deposits are stated at cost, which approximates market.

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of a bank failure, the Ambulance District's deposits may not be returned to it. State law requires collateralization of all deposits with federal depository insurance and other acceptable collateral in specific amounts. The Ambulance District's policy requires that all bank balances be insured or collateralized by the financial institution to pledge their own securities to cover any amount in excess of Federal Depository Insurance Coverage (FDIC). These securities must be pledged in the Ambulance District's name. As of December 31, 2013, \$750,000 of the Ambulance District's deposits was secured from risk by FDIC coverage and \$3,774,449 was collateralized by securities pledged by the financial institutions. At December 31, 2012, \$500,000 of the Ambulance District's deposits was secured from risk by FDIC coverage and \$3,813,039 was collateralized by securities pledged by the financial institutions. Accordingly, the Ambulance District had no custodial credit risk related to its deposits at December 31, 2013 and 2012.

LOWER CAMERON AMBULANCE SERVICE DISTRICT

NOTES TO FINANCIAL STATEMENTS

Note 4. Accounts Receivable

Patient accounts receivable reported as current assets by the Ambulance District at December 31, 2013 and 2012 consisted of these amounts:

<u>Patient Accounts Receivable</u>		<u>2013</u>	<u>2012</u>
Receivable from patients and their insurance carriers	\$	7,857	\$ 25,630
Receivable from Medicare		8,760	26
Receivable from Medicaid		5,172	4,652
Total patient accounts receivable	\$	21,789	\$ 30,308
Less allowance for uncollectible amounts		(3,009)	(9,020)
Patient accounts receivable, net	\$	<u>18,780</u>	<u>\$ 21,288</u>

Note 5. Concentrations of Credit Risk

The Ambulance District grants credit without collateral to its patients, most of whom are local residents and are insured under third-party payor agreements. The mix of receivables from patients and third-party payors at December 31, 2013 and 2012 was as follows:

	<u>2013</u>	<u>2012</u>
Medicaid	21 %	14 %
Medicare	28 %	4 %
Other third-party payors/patients	51 %	82 %
	<u>100 %</u>	<u>100 %</u>

Note 6. Ad Valorem Taxes

The Ambulance District's property tax is levied by the parish on the taxable real property in the district in late October of each year. Bills are sent out in November of each year at which time the Ambulance District records the tax revenue, taxes become delinquent on December 31st, and become a lien in the following March. The Ambulance District levied 14.44 mills on properties with assessed values of \$87,200,842 and \$99,149,729, net of homestead values, for the years ended December 31, 2013 and 2012 respectively.

LOWER CAMERON AMBULANCE SERVICE DISTRICT

NOTES TO FINANCIAL STATEMENTS

Note 7. Capital Assets

Capital assets additions, retirements, and balances for the years ended December 31, 2013 and 2012 were as follows:

	December 31, 2011	Additions	Retirements	December 31, 2012
Land	\$ 76,000	\$ -	\$ -	\$ 76,000
Land improvements	-	19,815	-	19,815
Equipment	214,821	7,772	-	222,593
Office equipment	41,302	2,789	-	44,091
Buildings and improvements	1,404,773	66,599	-	1,471,372
Ambulances	652,080	-	-	652,080
Total historical cost	<u>\$ 2,388,976</u>	<u>\$ 96,975</u>	<u>\$ -</u>	<u>\$ 2,485,951</u>
Less accumulated depreciation for:				
Land improvements	\$ -	\$ (412)	\$ -	\$ (412)
Equipment	(109,361)	(34,352)	-	(143,713)
Office equipment	(25,670)	(5,337)	-	(31,007)
Buildings and improvements	(78,535)	(42,378)	-	(120,913)
Ambulances	(385,239)	(112,530)	-	(497,769)
Total accumulated depreciation	<u>\$ (598,805)</u>	<u>\$ (195,009)</u>	<u>\$ -</u>	<u>\$ (793,814)</u>
Capital assets, net	<u>\$ 1,790,171</u>	<u>\$ (98,034)</u>	<u>\$ -</u>	<u>\$ 1,692,137</u>

	December 31, 2011	Additions	Retirements	December 31, 2012
Land	\$ 76,000	\$ -	\$ -	\$ 76,000
Equipment	162,037	52,784	-	214,821
Office equipment	45,793	852	(5,343)	41,302
Buildings and improvements	1,318,029	86,744	-	1,404,773
Ambulances	652,080	-	-	652,080
Total historical cost	<u>\$ 2,253,939</u>	<u>\$ 140,380</u>	<u>\$ (5,343)</u>	<u>\$ 2,388,976</u>
Less accumulated depreciation for:				
Equipment	\$ (79,357)	\$ (30,004)	\$ -	\$ (109,361)
Office equipment	(24,561)	(5,747)	4,638	(25,670)
Buildings and improvements	(41,432)	(37,103)	-	(78,535)
Ambulances	(272,708)	(112,531)	-	(385,239)
Total accumulated depreciation	<u>\$ (418,058)</u>	<u>\$ (185,385)</u>	<u>\$ 4,638</u>	<u>\$ (598,805)</u>
Capital assets, net	<u>\$ 1,835,881</u>	<u>\$ (45,005)</u>	<u>\$ (705)</u>	<u>\$ 1,790,171</u>

Depreciation expense for the years ended December 31, 2013 and 2012 amounted to \$195,009 and \$185,385, respectively.

LOWER CAMERON AMBULANCE SERVICE DISTRICT

NOTES TO FINANCIAL STATEMENTS

Note 8. Compensated Absences

Employees' vacation benefits are recognized in the period earned. Accrued compensated absences at December 31, 2013 and 2012 totaled \$20,888 and \$20,254, respectively, which is included in accrued liabilities on the statements of net position.

Note 9. Simple IRA Plan

The Ambulance District has a Simple IRA Plan covering all eligible employees as of June 2002. Employees can contribute a maximum of \$12,000 and \$11,500 for the 2013 and 2012 tax years. The Ambulance District contributes 2% of compensation to each eligible employee's Simple IRA for the year. Total Simple IRA plan expenses for the years ended 2013 and 2012 were \$14,475 and \$15,000, respectively.

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SUPPLEMENTARY INFORMATION

LOWER CAMERON AMBULANCE SERVICE DISTRICT

SCHEDULES OF NET PATIENT SERVICE REVENUES

Years Ended December 31, 2013 and 2012

	<u>2013</u>	<u>2012</u>
Gross patient service revenues	\$ 180,519	\$ 185,979
Less:		
Medicare and Medicaid contractual adjustments	(17,226)	(24,930)
Provision for uncollectible accounts	(15,090)	(18,948)
Parish resident discounts	(76,848)	(51,128)
Insurance and other discounts	<u>(3,494)</u>	<u>(8,330)</u>
Net patient service revenue	<u>\$ 67,861</u>	<u>\$ 82,643</u>

See independent auditors' report.

LOWER CAMERON AMBULANCE SERVICE DISTRICT

**SCHEDULES OF BOARD FEES
Years Ended December 31, 2013 and 2012**

Board Members

The Ambulance District's board members did not receive any compensation during the years ended December 31, 2013 and 2012.

See independent auditors' report

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John L. Istre, CPA*
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Robert M. DeRouen, Jr. CPA*

Directors:

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Laurel L. Montagnet, CPA
Valeri A. Grayson, CPA

Retired Partners:

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Leon K. Poché, CPA 1984
James H. Breaux, CPA 1987
Erna R. Walton, CPA 1988
George A. Lewis, CPA 1992
Geraldine J. Wimberley, CPA 1995
Lawrence A. Cramer, CPA 1999
Ralph Friend, CPA 2002
Donald W. Kelley, CPA 2005
George J. Trappey, III, CPA 2007
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Mary T. Miller, CPA 2011
Mary A. Castille, CPA 2013

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**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT
OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

To the Board of Commissioners
Lower Cameron Ambulance Service District
Creole, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the basic financial statements of the Lower Cameron Ambulance Service District as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the Lower Cameron Ambulance District's basic financial statements and have issued our report thereon dated June 30, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Lower Cameron Ambulance Service District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the basic financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Lower Cameron Ambulance Service District's internal control. Accordingly, we do not express an opinion on the effectiveness of the Lower Cameron Ambulance Service District's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and responses, we identified certain deficiencies in internal control that we consider to be material weaknesses.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the District's basic financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompanying schedule of findings and responses at 2013-1 to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Lower Cameron Ambulance Service District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Lower Cameron Ambulance Service District Responses to Findings

Lower Cameron Ambulance Service District's response to the finding identified in our audit is described in the accompanying schedule of findings and responses. Lower Cameron Ambulance Service District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion it.

Purpose of this Report

This report is intended solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control on compliance. This report is an integral part of an audit performed in accordance with *Governmental Auditing Standards* in considering the District's internal control and compliance. This report is intended for the information and use of management, the Board of Commissioners, others within the entity and federal awarding agencies and pass-through entities and the Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties. Accordingly, this communication is not suitable for any other purpose, however, this report is a matter of public record and its distribution is not limited.

Broussard, Pocke, Lewis & Bump, LLP

Lafayette, Louisiana
June 30, 2014

LOWER CAMERON AMBULANCE SERVICE DISTRICT

SCHEDULE OF FINDINGS AND RESPONSES
Year Ended December 31, 2013

We have audited the basic financial statements of Lower Cameron Ambulance Service District as of and for the year ended December 31, 2013, and have issued our report thereon dated June 30, 2014. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our audit of the basic financial statements as of and for the year ended December 31, 2013 resulted in an unmodified opinion.

Section I. Summary of Auditors' Results

Report on Internal Control and Compliance Material to the Financial Statements

Internal Control over financial reporting:

- Material weakness(es) identified? ☒ Yes ☐ No
- Control deficiency(ies) identified that we do not consider to be material material weaknesses ☐ Yes ☒ None reported

Noncompliance material to financial statements noted ☐ Yes ☒ No

Section II. Financial Statement Findings

2013-1 - Segregation of Duties

Finding: The Ambulance District does not have adequate segregation of duties. A system of internal control procedures contemplates a segregation of duties so that no one individual handles a transaction from its inception to its completion. While we recognize the Ambulance District may not be large enough to permit such procedures, it is important that you be aware of this condition. This condition was also included in the 2012 audit as item 2012-1.

Recommendation: Keeping in mind the limited number of personnel to which duties can be assigned; the Ambulance District should continue to monitor assignment of duties to assure as much segregation of duties and responsibility as possible, and the board should review financial information on a timely basis.

Response: The Ambulance District is aware of and evaluated this problem and concluded that it would not be cost beneficial or possible with the limited resources available to create a segregated accounting environment. However, the Ambulance District will continue to monitor this issue and the board will review financial information on a timely basis.

Section III. Federal Award Findings and Questioned Costs

Not applicable.

LOWER CAMERON AMBULANCE SERVICE DISTRICT

**SCHEDULE OF PRIOR YEAR FINDINGS
Year Ended December 31, 2013**

Section I. Internal Control and Compliance Material to the Financial Statements

2012-1 - Segregation of Duties

Recommendation: Keeping in mind the limited number of personnel to which duties can be assigned; the Ambulance District should continue to monitor assignment of duties to assure as much segregation of duties and responsibility as possible, and the board should review financial information on a timely basis.

Response: NOT RESOLVED - The Ambulance District is aware of and evaluated this problem and concluded that it would not be cost beneficial or possible with the limited resources available to create a segregated accounting environment. However, the Ambulance District will continue to monitor this issue and the board will review financial information on a timely basis. This finding is also included in the audit report for the year ended December 31, 2013 and described in 2013-1.

Section II. Federal Award Findings and Questioned Costs

Not applicable.